

VZCZCXRO8709  
PP RUEHTRO  
DE RUEHAS #1067/01 2791404  
ZNY CCCCC ZZH  
P 051404Z OCT 08  
FM AMEMBASSY ALGIERS  
TO RUEHC/SECSTATE WASHDC PRIORITY 6437  
INFO RUEHFR/AMEMBASSY PARIS 2877  
RUEHMD/AMEMBASSY MADRID 9047  
RUEHRB/AMEMBASSY RABAT 2519  
RUEHTU/AMEMBASSY TUNIS 7371  
RUEHTRO/AMEMBASSY TRIPOLI  
RUEHNC/AMEMBASSY NOUAKCHOTT 6514  
RUEHNM/AMEMBASSY NIAMEY 1723  
RUEHBP/AMEMBASSY BAMAKO 0706  
RUEHCL/AMCONSUL CASABLANCA 3536  
RHMFISS/HQ USEUCOM VAIHINGEN GE

C O N F I D E N T I A L SECTION 01 OF 02 ALGIERS 001067

SIPDIS

E.O. 12958: DECL: 09/30/2018  
TAGS: [ECON](#) [EAGR](#) [ETRD](#) [PGOV](#) [AG](#)  
SUBJECT: WATER: SECURITY THAT OIL CANNOT BUY

Classified By: Ambassador David D. Pearce; reasons 1.4 (b) and (d).

11. (SBU) SUMMARY: Algeria faces urgent challenges in managing its water resources and huge opportunities exist for U.S. companies in the sector, Minister of Water Resources Abdelmalek Sellal told the Ambassador on September 29. Sellal said he was satisfied with equipment, such as pumps, purchased from U.S. companies, but wanted to see more involvement in planning, construction and technical assistance, and his ministry was willing to accommodate various business partnership, joint venture or grouping arrangements to ensure that U.S. expertise was brought to bear on Algeria's water sector. Algeria's water strategy focuses on desalination for the coastal cities, medium-sized dams to irrigate the inland mountains and high plateau, and an ambitious 800km water transfer project to bring water to the deep Saharan south. END SUMMARY.

#### URBANIZATION BRINGS SUPPLY CONCERNS

-----

12. (C) Sellal, a former interior minister, explained how the civil war of the 1990s emptied out large swaths of rural Algeria, causing inhabitants to flee to the cities. This, he said, created a squeeze on a colonial-era urban water infrastructure that already needed modernization. In addition, he blamed terrorists for exacerbating the supply problem by destroying many water transportation and electrical lines. Hence, Sellal's major challenge for the cities was to modernize the water infrastructure while at the same time pumping more water to the population.

13. (C) The Algerian strategy for the coastal cities was based heavily on desalination, Sellal said, since over the last 25 years Algeria has received less snow and rain over time. According to Sellal, desalination currently provides 25 million cubic meters of potable consumption, and some 800 million cubic meters per year. He described 12 desalination plants currently operating, with two in the Tlemcen region, one in Beni Saf to supply Ain Temouchent, two in Oran, one in Mostaganem, one in Algiers (the Hamma plant built by General Electric/Ionics), one in Tenes, one in Cherchell, one at Cap Djinet to serve Tizi Ouzou, one in Skikda for the industrial zone there, and one in Annaba. Sellal said that Algeria will add three more, and that an Oran plant currently under construction will process up to 500,000 cubic meters per day. Desalination, Sellal asserted, has become cost effective, costing only some 80 cents per cubic meter of water.

AS GOES THE HIGH PLATEAU, SO GOES ALGERIA

-----

¶4. (C) Sellal then focused on the high plateau, the inland zone across the entire country between the coastal mountain ranges and the Sahara. The development of Algeria, he said, depends on the development of the high plateau. For this region, Algeria relies on medium-sized dams, adding pipelines to bring water from the coast and from Saharan aquifers to the region. Sixty-five percent of this water is for agricultural development, Sellal said. The majority of Algeria's Saharan water is drawn from two aquifers at Ain Salah -- one, a deep, vast, warm water aquifer stretching across the Sahara into Libya, and another cooler deposit closer to the surface. Through what Sellal called a "gentlemen's agreement," Algeria shared the deeper, warmer aquifer with Libya, and he suggested that Libya's Colonel Muammar Qadhafi was pumping more than his share of it. Sellal stated that the higher of the two aquifers was more critical to Algeria's security, since it was that one that supplied the Algerian Sahel, though an 800km pipeline to Tamanrasset.

BRING IN THE AMERICANS...

¶5. (SBU) Sellal repeatedly lamented what he viewed as the apparent decision of U.S. companies to focus primarily on selling equipment to Algeria rather than on the significant infrastructure and technological projects vital to Algerian national security. He referred to Canadian firm SNC Lavalin as one example of a foreign company that had put in some 15 years of work on the ground in Algeria, building dams and hydroelectric projects in the coastal mountains. Sellal said

ALGIERS 00001067 002.2 OF 002

that Algeria welcomed U.S. expertise in studies and evaluation, technical assistance and construction, and suggested that Algeria would be flexible to accommodate whatever sort of business arrangements would make U.S. companies comfortable. (Note: U.S. companies traditionally have had difficulty making inroads into this sector due to the relative expense of U.S. solutions and equipment pricing them out of the market. End note.) He mentioned joint ventures and groupings with other companies on the ground for cheaper labor as two examples, citing Chinese companies as one possible partner in a grouping with Algerian interests. Sellal was emphatic in debunking what he saw as the myth that the Algerian market was "somehow reserved for Europeans," describing a world in which U.S, Chinese and Russian centers of power all needed reassessment.

...ONCE I GET BACK FROM IRAN

¶6. (C) Sellal confided that he was planning to travel to Iran in three weeks to discuss cooperation on dam construction. He said the Iranians "want to come and help us" but he was cautious, believing Iranians to be "dangerous" people who "always hold a secret, so you will never know the truth with them."

COMMENT: A THIRST FOR ENGAGEMENT

¶7. (C) Sellal is an experienced minister and long-standing regime insider, having held several ministerial posts dating back to the presidency of Liamine Zeroual in the late 1990s. He is considered by many to be on a second-tier list of "presidentiables," possible successors to President Bouteflika. Drawing on his ministerial experience as well as his late 1970s tenure as wali (governor) of Tamanrasset, he proved extremely knowledgeable on Algerian security issues and their interplay with resource allocation challenges. Sellal was eager for further engagement with the U.S. and we will look to upcoming visits and initiatives to follow-up with him and his ministry. Sellal, a former governor in the south, also provided a fascinating insight into the politics of Algeria's Sahelian Tuareg population (septel).

